



Billing Code 6325-38

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 843

RIN 3206-ANO03

Federal Employees' Retirement System; Present Value Conversion Factors for Spouses of Deceased Separated Employees

AGENCY: Office of Personnel Management.

ACTION: Proposed Rule.

SUMMARY: The Office of Personnel Management (OPM) is issuing a proposed rule to revise the table of reduction factors for early commencing dates of survivor annuities for spouses of separated employees who die before the date on which they would be eligible for unreduced deferred annuities, and to revise the annuity factor for spouses of deceased employees who die in service when those spouses elect to receive the basic employee death benefit in 36 installments under the Federal Employees' Retirement System (FERS) Act of 1986. These rules are necessary to ensure that the tables conform to the economic and demographic assumptions adopted by the Board of Actuaries and published in the Federal Register on April 6, 2020.

DATES: Send comments on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: You may submit comments identified by docket number and/or Regulatory Information Number (RIN) and title, by the following method:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

All submissions received must include the agency name and docket number or RIN for this document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing at <http://www.regulations.gov> as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT: Karla Yeakle, (202) 606-0299.

SUPPLEMENTARY INFORMATION: On April 6, 2020, OPM published notice 85 FR 19174 in the Federal Register to revise the normal cost percentages under the Federal Employees' Retirement System (FERS) Act of 1986, Public Law 99-335, 100 Stat. 514, as amended, based on economic assumptions and demographic factors adopted by the Board of Actuaries of the Civil Service Retirement System. By statute under 5 U.S.C. 8461(i), the revisions to the actuarial assumptions require corresponding changes in factors used to produce actuarially equivalent benefits when required by the FERS Act.

Section 843.309 of title 5, Code of Federal Regulations, regulates the payment of the basic employee death benefit. Under 5 U.S.C. 8442(b), the basic employee death benefit may be paid to a surviving spouse as a lump sum or as an equivalent benefit in 36 installments. These rules amend 5 CFR 843.309(b)(2) to conform the factor used to convert the lump sum to 36-installment payments with the revised economic assumptions.

Section 843.311 of title 5, Code of Federal Regulations, regulates the benefits for the survivors of separated employees under 5 U.S.C. 8442(c). This section provides a choice of

benefits for eligible current and former spouses. If the current or former spouse is the person entitled to the unexpended balance under the order of precedence under 5 U.S.C. 8424, he or she may elect to receive the unexpended balance instead of an annuity. If the separated employee died before having attained the minimum retirement age, the annuity commences on the day the deceased separated employee would have been eligible for an unreduced annuity as specified under this section. If the current or former spouse instead elects to receive an adjusted annuity beginning on the day after the death of the separated employee, the annuity is reduced using the factors in appendix A to subpart C of part 843 to make the annuity actuarially equivalent to the present value of the annuity that the spouse or former spouse otherwise would have received. These rules amend appendix A to subpart C of part 843 to conform the factors to the revised actuarial assumptions.

Regulatory Impact Analysis

OPM has examined the impact of this rule as required by Executive Order 12866 and Executive Order 13563, which directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public, health, and safety effects, distributive impacts, and equity). A regulatory impact analysis must be prepared for major rules with economically significant effects of \$100 million or more in any one year. This rule was not designated as a “significant regulatory action,” under Executive Order 12866.

Reducing Regulation and Controlling Regulatory Costs

This rule is not an EO 13771 regulatory action because this rule is related to agency organization, management, or personnel.

Regulatory Flexibility Act

The Office of Personnel Management certifies that this rule will not have a significant economic impact on a substantial number of small entities.

Federalism

We have examined this rule in accordance with Executive Order 13132, Federalism, and have determined that this rule will not have any negative impact on the rights, roles and responsibilities of State, local, or tribal governments.

Civil Justice Reform

This regulation meets the applicable standard set forth in Executive Order 12988.

Unfunded Mandates Reform Act of 1995

This rule will not result in the expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any year and it will not significantly or uniquely affect small governments. Therefore, no actions were deemed necessary under the provisions of the Unfunded Mandates Reform Act of 1995.

Congressional Review Act

This action pertains to agency management, personnel, and organization and does not substantially affect the rights or obligations of nonagency parties and, accordingly, is not a “rule” as that term is used by the Congressional Review Act (Subtitle E of the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA)). Therefore, the reporting requirement of 5 U.S.C. 801 does not apply.

Paperwork Reduction Act

Notwithstanding any other provision of law, no person is required to respond to, nor shall any person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.) (PRA), unless that collection of information displays a currently valid Office of Management and Budget (OMB) Control Number.

This rule involves an OMB approved collection of information subject to the PRA Application for Death Benefits (FERS)/Documentation and Elections in Support of Application for Death Benefits when Deceased was an Employee at the Time of Death (FERS), 3206-0172. The public reporting burden for this collection is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. The total burden hour estimate for this form is 16,751 hours. The systems of record notice for this collection is: OPM SORN CENTRAL-1-Civil Service Retirement and Insurance Records.

List of Subjects in 5 CFR Part 843

Air traffic controllers, Disability benefits, Firefighters, Government employees, Law enforcement officers, Pensions, Retirement.

Office of Personnel Management.

For the reasons stated in the preamble, the Office of Personnel Management proposes to amend 5 CFR part 843 as follows:

**PART 843—FEDERAL EMPLOYEES RETIREMENT SYSTEM—DEATH
BENEFITS AND EMPLOYEE REFUNDS**

1. The authority citation for part 843 is revised to read as follows:

Authority: 5 U.S.C. 8461; 843.205, 843.208, and 843.209 also issued under 5 U.S.C. 8424; 843.309 also issued under 5 U.S.C. 8442; 843.406 also issued under 5 U.S.C. 8441.

Subpart C—Current and Former Spouse Benefits

2. In §843.309, revise paragraph (b)(2) to read as follows:

§ 843.309 Basic employee death benefit.

* * * * *

(b) * * *

(2) For deaths occurring on or after October 1, 2020, 36 equal monthly installments of 2.95307 percent of the amount of the basic employee death benefit.

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3. Revise appendix A to subpart C of part 843 to read as follows:

**Appendix A to Subpart C of Part 843—Present Value Conversion Factors for Earlier
Commencing Date of Annuities of Current and Former Spouses of Deceased
Separated Employees**

With at least 10 but less than 20 years of creditable service—

Age of separated employee at birthday before death	Multiplier
26.....	.1014
27.....	.1077
28.....	.1144
29.....	.1215
30.....	.1290
31.....	.1370
32.....	.1454
33.....	.1544
34.....	.1641
35.....	.1742
36.....	.1852
37.....	.1963
38.....	.2090
39.....	.2216
40.....	.2348
41.....	.2498

42.....	.2657
43.....	.2822
44.....	.3007
45.....	.3197
46.....	.3409
47.....	.3625
48.....	.3860
49.....	.4114
50.....	.4386
51.....	.4681
52.....	.4997
53.....	.5336
54.....	.5703
55.....	.6095
56.....	.6527
57.....	.6994
58.....	.7499
59.....	.8047
60.....	.8642
61.....	.9291

With at least 20, but less than 30 years of creditable service—

Age of separated employee at birthday before death	Multiplier
36.....	.2142
37.....	.2272
38.....	.2418
39.....	.2566
40.....	.2720
41.....	.2894
42.....	.3078
43.....	.3270
44.....	.3484
45.....	.3705
46.....	.3949
47.....	.4201
48.....	.4473
49.....	.4767
50.....	.5082
51.....	.5423
52.....	.5788
53.....	.6180
54.....	.6605
55.....	.7060
56.....	.7558

57.....	.8096
58.....	.8680
59.....	.9312

With at least 30 years of creditable service—

Age of separated employee at birthday before death	Multiplier by separated employee's year of birth	
	After 1966	From 1950 through 1966
46 .....	.4881	.5228
47 .....	.5194	.5563
48 .....	.5531	.5924
49 .....	.5894	.6314
50 .....	.6283	.6730
516704	.7180
527154	.7662
537638	.8181
548162	.8741
558725	.9345
569338	1.0000

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